

# **State of Alaska FY2007 Governor's Operating Budget**

## **Department of Environmental Conservation Office of the Commissioner Component Budget Summary**

## Component: Office of the Commissioner

### Contribution to Department's Mission

Provide support and policy direction to the divisions in the department.

### Core Services

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment.
- Lead department employees to accomplish department priorities and performance measures.
- Represent the department's authorities and responsibilities on the Governor's cabinet.
- Work with the legislature on the department's budget and legislative priorities.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council.
- Adjudicate administrative appeals of department decisions.
- Approve department regulations for public notice and adopt final regulation changes for filing with the Lieutenant Governor.

End Results	Strategies to Achieve Results
<b>A: The department operates in accordance with the Administration's policies and initiatives.</b>  <u>Target #1:</u> Strategic Plan is 100% implemented by fiscal year 2008. <u>Measure #1:</u> % of Strategic Plan implemented.	<b>A1: Lead development and implementation of Department initiatives.</b>  <u>Target #1:</u> Annual approval of 100% the department's budget request by the legislature. <u>Measure #1:</u> % of the department's proposed budget request approved by the legislature.  <u>Target #2:</u> All priority regulatory programs are revised for filing with the Lieutenant Governor's Office. <u>Measure #2:</u> % of completed priority program revisions.

### Major Activities to Advance Strategies

- Lead the department to accomplish goals and communicate performance.
- Lead the development of protective standards.
- Work within the government and with stakeholders, the public and the legislature to communicate department initiatives and needs.

### FY2007 Resources Allocated to Achieve Results

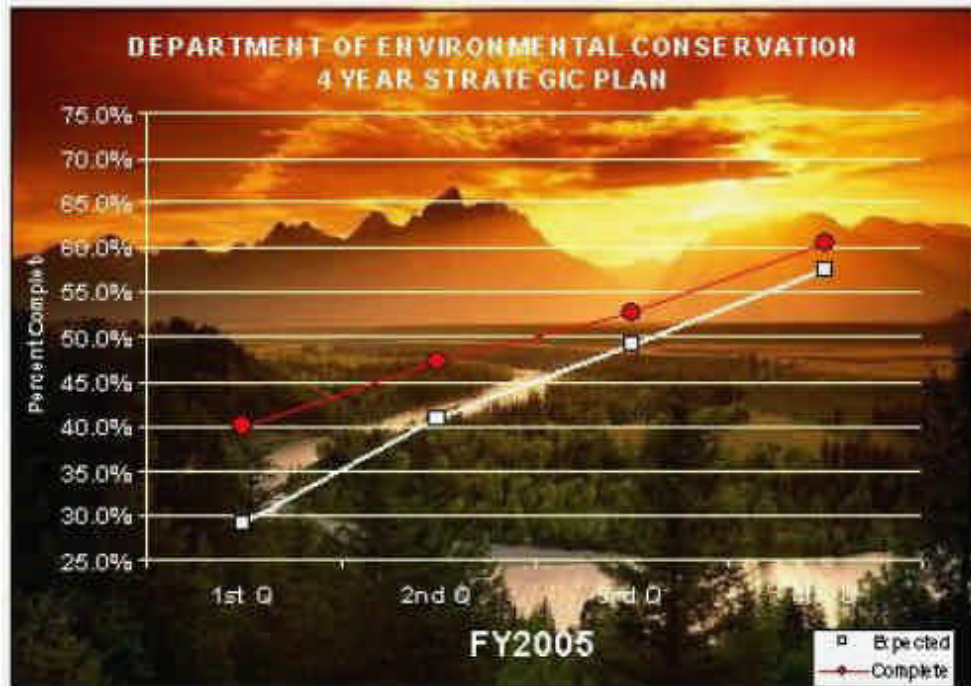
<b>FY2007 Component Budget: \$838,300</b>	<b>Personnel:</b>	
	Full time	8
	Part time	0
	<b>Total</b>	<b>8</b>

## Performance Measure Detail

### A: Result - The department operates in accordance with the Administration's policies and initiatives.

**Target #1:** Strategic Plan is 100% implemented by fiscal year 2008.

**Measure #1:** % of Strategic Plan implemented.



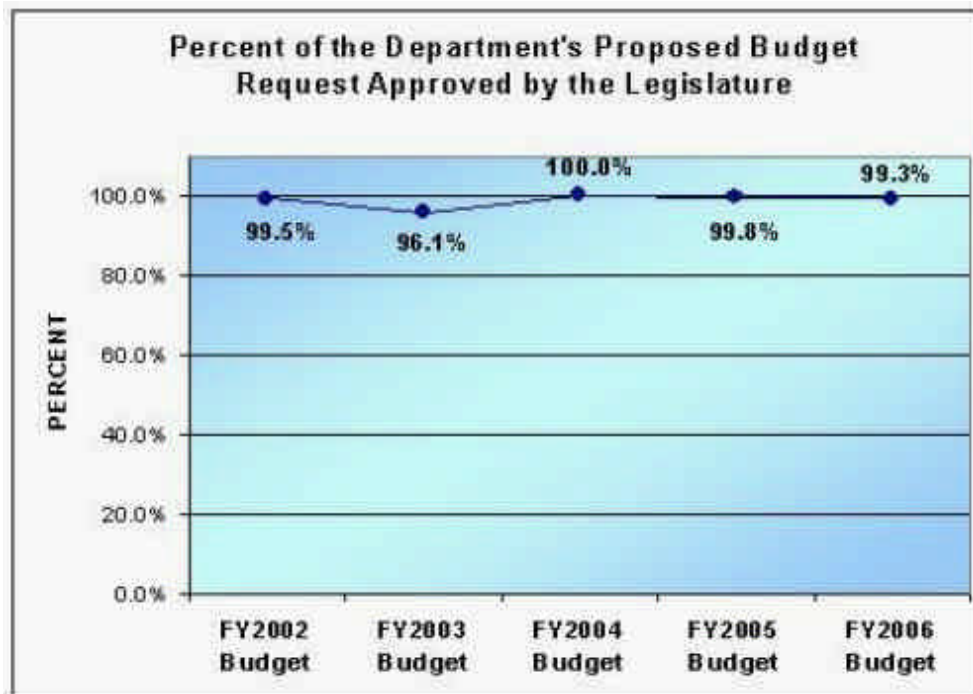
**Analysis of results and challenges:** DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to prevent abate or control pollution through a comprehensive protection program. We don't prevent pollution – we influence others to take preventative action and establish standards by which to measure success.

This measure determines departmental progress against the 4 Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Within the strategic plan, performance exceeds expectations.

### A1: Strategy - Lead development and implementation of Department initiatives.

**Target #1:** Annual approval of 100% the department's budget request by the legislature.

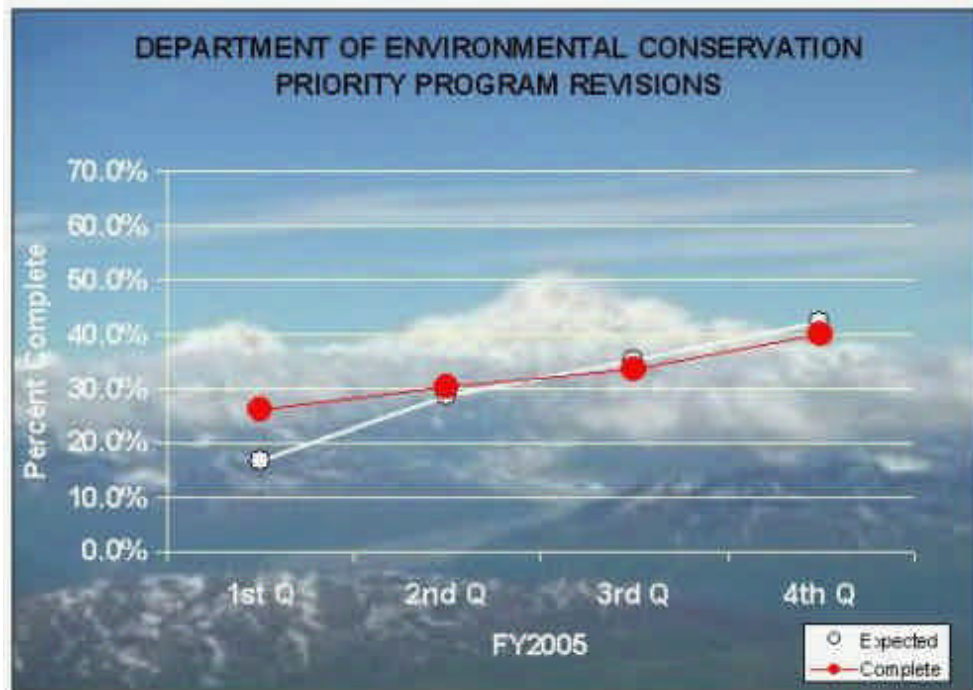
**Measure #1:** % of the department's proposed budget request approved by the legislature.



**Analysis of results and challenges:** This measure is reported annually. Budget activity for the upcoming fiscal year is usually complete by the middle of May, with data available for end of year reporting.

**Target #2:** All priority regulatory programs are revised for filing with the Lieutenant Governor's Office.

**Measure #2:** % of completed priority program revisions.



**Analysis of results and challenges:** All of the department's highest priority regulation revisions were completed and filed with the Lieutenant Governor.

## Key Component Challenges

- The Commissioner's Office clearly communicates to the public and affected stakeholders what services can be realistically expected from the department's human and fiscal resources.
- Hiring and retaining competent staff continues to be a challenge. Due to higher salaries and benefits offered by the private sector, the department continues to lose good employees; impacting our ability to manage programs successfully.

## Significant Changes in Results to be Delivered in FY2007

None.

## Major Component Accomplishments in 2005

The department was very successful in working with interested stakeholder work groups and the public on the following major state policy issues:

### Better Permitting

The Commissioner's Office continued the department's focus on strengthening water and air permitting. Permits are essential to environmentally responsible development. They provide important information about impacts on the environment. A permit provides all stakeholders the opportunity to learn about a proposed project, comment, and receive a substantive response from us before final decisions are made.

At the outset of the Murkowski administration one of our most critical needs was for improvement in air permitting. Our program was simply inadequate. We had a budget sized for a state of 600,000 people, but write as many permits as the State of Colorado with 4 ½ million people. Permit reform and streamlining is now structurally complete – all statutory and regulatory changes are finalized. Streamlined services with shorter, predictable permit delivery are being accomplished. However, additional improvements are still expected in FY06 and FY07 as performance audits and quality management tools provide important feedback on how well the reform is accomplishing each of its intended goals.

The Commissioner approved a complete overhaul of the regulations that we use to protect Alaska's water. We began with raindrops and followed water to the ocean to identify gaps in our present regulations. This work is long overdue. One of the major environmental benefits will be a comprehensive approach to groundwater, a resource that is inadequately protected now.

In FY2005, new legislation was passed directing DEC to seek primacy for the National Pollutant Discharge Elimination System (NPDES) wastewater currently managed by EPA in Seattle. NPDES program development has been initiated and beginning in FY2008, permitting, compliance and enforcement will be done by Alaskans who are knowledgeable about Alaskan conditions. DEC is also developing regulations that: 1) provide for department automatic authorization, or "permits by rule", for lower risk wastewater discharges which meet specified eligibility, minimum standards and practices, notification, and fee requirements; 2) that establish best management practices for small cruise ships discharges based on new legislative direction; 3) improve water quality standards and ensure they reflect current science and legislative direction; and 4) integrate the department's permitting of projects with multiple waste streams, such as mines, and update the rules governing financial responsibility for mine closures in conjunction with the Department of Natural Resources.

In other areas staff:

- Revised the department's mining rules to improve the regulations for mine tailings disposal and financial responsibility for mine closures.
- Revised the low-interest municipal loan program to allow communities to borrow for projects that address nonpoint sources of water pollution such as storm water run-off, landfill leachate and harbor wastes. Eight communities have applied under the new guidelines, primarily to protect groundwater.
- Updated the village safe water requirements to reflect expectations for sustainability of sewer and water facilities.
- Collected important data of Alaska's coastline through the Environmental Monitoring and Assessment Program to assess the health of our waterways.

### Improved Oil Spill Safety and Economic Redevelopment of Contaminated Sites

Legislation introduced by the Governor to increase on-the-water spill drills, equipment testing and inspections has resulted in a 30% reduction in spills from regulated facilities. This significant accomplishment is the result of shifting from paperwork to practice through more practical development of reliable response skills for both government and industry. The benefit has also shown in the very successful response to a major oil spill in the Aleutians caused by the Selendang Ayu. The response implementation of the state's zero tolerance policy for protecting Alaska's wild salmon, Pollock, and crab resulted in record harvests, no contamination of seafood product and no depression of market prices as a result of the spill. The combined value of these fisheries was over \$600 million.

Economic redevelopment of contaminated sites through an innovative risk based approach for cleanup has resulted in the reuse of contaminated properties in Fairbanks for construction of a WalMart, Home Depot and Fred Meyer stores. Other reuse successes include the revitalization of a seafood processing facility in southwest Alaska and redevelopment of the closed pulp mill sites in Sitka and Ketchikan.

#### Effective Food Safety Statewide

The Commissioner initiated a complete redesign of our food safety program. Our previous approach depended heavily on regular site inspections and was virtually impossible to deliver consistently across our large and roadless state. Our new approach follows NASA's successful program developed for the manned spaceflight program. It relies on operator certification, restaurant specific risk management and rigorous enforcement by DEC. This new program will provide equal protection from Metlakatla to Barrow. It will hold owners and operators responsible for knowing how food becomes contaminated and assures that standard operating procedures protect their customers. We will move from the spot inspection of the past to mandatory every-day management systems. We plan to implement food safety regulations in FY2007.

#### Better Understanding of Public Health Threats

Funding was secured for two important studies to protect public health. The first study measures the effects of exposure to diesel exhaust in rural Alaska. As a result of human health studies, EPA is requiring ultra low sulfur fuel for diesel trucks and buses by 2007. While there are few trucks and buses in rural Alaska, every community depends on diesel generators for electricity. National initiatives will not help us decide the safest course for Alaskans. We are now gathering the necessary health information ourselves.

Funds were also allocated to complete fish tissue sampling to measure mercury in Alaskan species. Both the EPA and the FDA have issued repeated warnings about exposure to mercury in fish. We are continuing this study to provide Alaska specific information about the quality of our subsistence, sport caught and commercially harvested stocks. The average consumption of subsistence caught fish in Alaska ranges from 10 to 20 times more than the consumption levels used by EPA. The commercial catch is important too. Alaska's 5 billion pound harvest represents over 50% of the total US commercial catch.

### **Statutory and Regulatory Authority**

AS 46.03.010; AS 46.08.040; AS 46.08.050

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**Office of the Commissioner  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2005 Actuals</b>	<b>FY2006 Management Plan</b>	<b>FY2007 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	512.4	745.1	789.2
72000 Travel	42.8	26.3	26.3
73000 Services	43.8	12.2	12.2
74000 Commodities	11.3	3.7	3.7
75000 Capital Outlay	0.0	6.9	6.9
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>610.3</b>	<b>794.2</b>	<b>838.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	291.6	374.1	395.4
1004 General Fund Receipts	308.8	374.1	394.9
1007 Inter-Agency Receipts	9.9	0.0	0.0
1018 Exxon Valdez Oil Spill Settlement	0.0	46.0	48.0
<b>Funding Totals</b>	<b>610.3</b>	<b>794.2</b>	<b>838.3</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2005 Actuals</b>	<b>FY2006 Management Plan</b>	<b>FY2007 Governor</b>
<b><u>Unrestricted Revenues</u></b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>				
Federal Receipts	51010	291.6	374.1	395.4
Interagency Receipts	51015	9.9	0.0	0.0
<b>Restricted Total</b>		<b>301.5</b>	<b>374.1</b>	<b>395.4</b>
<b>Total Estimated Revenues</b>		<b>301.5</b>	<b>374.1</b>	<b>395.4</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>374.1</b>	<b>374.1</b>	<b>46.0</b>	<b>794.2</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	6.6	6.8	0.6	14.0
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.6	0.7	0.1	1.4
-FY 07 Retirement Systems Cost Increase	12.8	13.0	1.2	27.0
<b>Proposed budget increases:</b>				
-Risk Management Self-Insurance Funding Increase	0.8	0.8	0.1	1.7
<b>FY2007 Governor</b>	<b>394.9</b>	<b>395.4</b>	<b>48.0</b>	<b>838.3</b>



**Office of the Commissioner  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	8	8	Annual Salaries	534,523
Part-time	0	0	COLA	14,183
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	264,088
			Less 2.90% Vacancy Factor	(23,594)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>8</b>	<b>8</b>	<b>Total Personal Services</b>	<b>789,200</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	0	0	1	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary II	0	0	1	0	1
Information Officer III	0	0	1	0	1
Prog Coordinator	0	0	2	0	2
Spec Asst To The Comm I	0	0	1	0	1
Special Staff Assistant	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>